Conflict of Interest Policy
InterFaith Alliance of the Southwest (IFASW)
August 20, 2025

InterFaith Alliance of the Southwest
Conflict of Interest Policy

Purpose: To protect the interests of IFASW when it contemplates entering into a transaction or arrangement that could benefit the private interest of a council member, or staff person, or result in a possible excess benefit transaction. This policy aims to ensure high ethical standards and the integrity of decision-making, preventing conflicts of interest from influencing decisions that could damage the reputation of IFASW. It supplements, but does not replace, applicable state and federal laws governing conflicts of interest for nonprofit organizations.

Scope: Applies to all council members, staff, volunteers, and any individuals involved in decision-making or advisory roles within IFASW. It addresses any situation where personal interests may conflict with the interests of the organization.

Definitions

Interested Person: Any council member, or staff person with governing board delegated powers who has a direct or indirect financial interest, as defined below.

Financial Interest: A person has a financial interest if they have, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which IFASW has a transaction or arrangement.
- A compensation arrangement with IFASW or with any entity or individual with which IFASW has a transaction or arrangement.
- A potential ownership or investment interest, or compensation arrangement with any entity or individual with which IFASW is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not automatically a conflict of interest; it only becomes a conflict if determined by the IFASW Council.

Conflict of Interest Situations

Conflicts of interest may arise in various circumstances, including but not limited to:

- A Council member or staff person having a personal or business relationship with IFASW as a supplier of goods or services or as a landlord or tenant.
- A Council member or staff person having a personal or financial relationship with a client or supplier that they deal with directly as a representative of IFASW.
- IFASW employing someone who is directly related to a Council member or staff person.
- A major funder or donor holding a position on the Council, even in a non-voting capacity.

Conflicts are unavoidable and should not disqualify someone from a leadership role unless the potential for undue influence is significant in multiple situations.

Procedure for Handling Conflicts of Interest

Disclosure: Members of the Council and staff are required to disclose any personal, family, business interests, or community involvements that may influence their judgment. This disclosure should be made to the Council President and/or the whole Council.

- Council members should disclose potential conflicts before their nomination or election, and thereafter, as they arise.
- The Council may choose to disclose conflicts of interest to members, staff, funders, and external stakeholders if it affects the organization's reputation.

Determination of Conflict: After disclosure, the Council will assess whether a conflict of interest or its perception exists. The individual with the potential conflict must leave the meeting while this determination is made.

Stepping Out: If a conflict is determined to exist, Council members and staff must exempt themselves from any discussion or voting on matters where they have a conflict.

Addressing the Conflict:

- An interested person may present information at the Council meeting but must leave during discussions and votes related to the matter.
- The Council may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After due diligence, the Council will decide if a more advantageous transaction or arrangement can be obtained from an entity that does not present a conflict of interest.
- If no alternative exists, the Council will determine by majority vote whether the proposed transaction is in IFASW's best interest and is fair and reasonable.

Violations of the Conflict of Interest Policy

If the Council believes that a Council member, staff person, or volunteer has failed to disclose a conflict of interest, they will be informed of the issue and given the opportunity to explain. After further investigation, if the Council determines the conflict was not disclosed, appropriate corrective action will be taken.

Compensation

A voting Council member who receives compensation from IFASW for services is prohibited from voting on matters relating to their compensation.

Records of Proceedings

The minutes of Council meetings shall include:

- Names of those who disclosed or were found to have a financial interest related to a conflict of interest, and the nature of that interest.
- Names of council members or staff who step out of a meeting due to a conflict of interest.
- Actions taken to determine whether a conflict existed, including discussion of any alternatives to the proposed transaction or arrangement, and a record of any votes.

Notice and Quorum

For voting and determination of matters related to conflicts of interest, the provisions of notice and quorum, as stated in the IFASW Bylaws, shall apply.